

FISCAL IMPACT STATEMENT ON BILL NO. **S.815 DRAFT AMENDMENT**
(Doc. No. Unknown)

TO:	The Honorable John E. Courson, Chairman, Senate Education Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Trey Kannaday and Ken Brown		
DATE:	February 12, 2008	SBD:	2008062

AUTHOR:	Senator Courson	PRIMARY CODE CITE:	59-35-310
SUBJECT:	Full Day Four-Year-Old Kindergarten		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

Senate Bill 815 Draft Amendment, as amended on January 18, 2008, would continue the Child Development Four-Year-Old Education Program. During FY 2008-09, the program must be made available by approved providers to "At Risk" four-year-olds, with priority to those programs funded as part of the Child Development Education Pilot Program, and then to districts based on percentages of at-risk children, with first priority given to those students whose family income is at the lowest level. The Bill specifies that by FY 2012-2013 funding must be sufficient to serve all at-risk four-year-old children who apply.

EXPLANATION OF IMPACT:

There is a fiscal impact associated with numerous sections of the Bill. The level of funding for the program is at the General Assembly's discretion. For fiscal impact purposes, it is assumed that the thirty-seven (37) plaintiff districts would be served in FY 2008-2009. In these 37 districts, the total population of eligible children not served by other programs is 6,565. It is further assumed that 75% of these children, or 4,924 would participate in the Child Development Four-Year-Old Education Program.

It is assumed that the program would also serve the remaining forty-eight (48) non-plaintiff districts in subsequent fiscal years. In these 48 districts, the total population of eligible children not served by other programs is 22,721. It is further assumed that 50% of these children, or 11,361 would participate in the Child Development Four-Year-Old Education Program.

Section 59-35-330

Costs associated with conducting the evaluation is estimated at \$398,700. This section states that beginning with FY 2008-09 the EOC shall receive funds to support the collection and continuous evaluation of data. Recurring funds of \$398,000 have been appropriated for this purpose. No additional funding is needed.

Section 59-35-440

This section requires the agencies involved to establish an ongoing public information campaign. On-going public information campaign costs are estimated at \$500,000 annually.

Section 59-35-360

Among other things, providers must maintain individual student records including assessment and health data. SDE estimates the cost of supporting a statewide on-line system at \$15 per child. DSS indicates the costs to providers for a license lasting two years is \$125 for each facility. There are 634 elementary schools in the state. The number of private providers that may participate is unknown but could be as many as 600. Therefore, total cost to providers for DSS licensing could be estimated at \$154,250.

Section 59-35-390

Providers must also have all instructional personnel participate in at least seven and one-half hours per semester or fifteen hours annually of professional development. The professional development cost is estimated at \$300 per instructor. The number of teachers in the 37 plaintiff districts is estimated at 492, and the number of teachers in the 48 non-plaintiff districts is estimated at 1,136. These numbers are based on an assumption of 20 students per classroom.

Section 59-35-320

The funding rate per child is \$4,093 for FY 2008-09. This cost would increase annually based on the EFA inflation factor. Transportation is funded at \$550 per student. Funding may be provided in the amount of \$2,500 for materials in existing classrooms. There are 241 existing classrooms in the 37 plaintiff districts, and five classrooms will need to be constructed. In the 48 non-plaintiff districts, 568 new classrooms will need to be constructed or identified.

Facilities

Enactment of this Bill creates the need for additional classroom space within the public education system. Construction costs for a new classroom are estimated to be \$250,000 while a portable costs \$75,000. According to SDE, there are 241 existing classrooms, which will necessitate the construction of approximately five new classrooms in the 37 plaintiff districts. It will further create the need to construct 568 new classrooms in the 48 non-plaintiff districts. Estimated one-time classroom set-up costs are estimated at \$10,000 per classroom. Facilities cost could be considered a state and/or a local school district expense.

Administration

SDE's administration cost is estimated at \$415,360 which includes salary and fringe benefits for six additional staff. First Steps administration costs are estimated at \$460,500 which includes salary and fringe benefits for five additional staff plus other operating expenses. The Department of Social Services indicates that this Bill would require additional General Funds of the State totaling \$431,552. The recurring costs of \$425,522 include eight FTEs and \$129,800 in other operating expenses and a one-time operating expense cost of \$6,000. There are approximately 460 programs in public schools that would be required to meet licensing criteria per DSS.

Recapitulation

Based on the assumptions noted above, the total estimated cost, excluding facilities, is \$25,647,724 for the 37 plaintiff districts and \$78,908,062 for statewide implementation. The cost for facilities could be funded at the General Assembly's discretion with non-recurring State funds, local district funds, or a combination of the two. **A summary of costs associated with this Bill is attached.**

SPECIAL NOTES:

Barnwell 45 and Saluda School Districts added approximately 175 students to the student count of the 37 plaintiff districts.

LOCAL GOVERNMENT IMPACT:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget